

**ILLINOIS COMMERCE COMMISSION**

**Docket No. 10-0110**

**Exhibit No. \_\_\_\_**

**Supplemental Direct Testimony of**

**Steven M. Lubertozi**

**on behalf of**

**WHISPERING HILLS WATER COMPANY**

**PREPARED SUPPLEMENTAL DIRECT TESTIMONY  
OF STEVEN M. LUBERTOZZI  
ON BEHALF OF WHISPERING HILLS WATER COMPANY**

1   **Q1. Please state your name.**

2   A1. My name is Steven M. Lubertozzi.

3

4   **Q2. Are you the same Steven M. Lubertozzi that filed direct testimony on behalf of**  
5       **Whispering Hills Water Company on January 4, 2010?**

6   A2. Yes, I am.

7

8   **Q3. Mr. Lubertozzi, what is the purpose of your Supplemental Direct Testimony?**

9   A3. In my Prepared Direct Testimony I explained the basis for the modified depreciation  
10       rates that the Company used to calculate depreciation expense included in its revenue  
11       request. The purpose of my Supplemental Direct Testimony is to provide additional  
12       detail in support of the Company's proposed depreciation rates. Whispering Hills  
13       Exhibit No.\_\_\_\_ shows the depreciation schedule with present and proposed  
14       depreciation rates.

15

16   **Q4. Does this conclude your Supplemental Direct testimony?**

17   A4. Yes, it does.

Account #	Description	Plant Bal.	Net Salvage		Unrecovered Cost	Avg. Life (Yrs)	Annual Expense	
			(%)	Amount			(\$)	(%)
Source of Supply Plant:								
3043011	STRUCTURES & IMPROVE.(Sourc Sup)	-	-25%	-	-	30.0	-	0.00%
3036010	LAND & LAND RIGHTS	15,820	0	-	15,820	0.0	-	0.00%
3072014	WELLS & SPRINGS	354,636	-30%	(106,391)	461,027	60.0	7,684	2.17%
	Subtotal	370,457		(106,391)	476,847		7,684	2.07%
Pumping Equipment:								
3035040	LAND & LAND RIGHTS PUMP	4,432	0	-	4,432	0.0	-	0.00%
3043021	STRUCTURES & IMPROVE.(PUMP.PLT.)	164,950	-25%	(41,238)	206,188	30.0	6,873	4.17%
3113025	ELECTRIC PUMPING EQUIPMENT	311,560	-25%	(77,890)	389,451	40.0	9,736	3.13%
	Subtotal	480,943		(119,128)	600,070		16,609	3.45%
Water Treatment Plant:								
3044031	STRUCTURES & IMPROVE.(WTR. T.P.)	29,945	-25%	(7,486)	37,431	30.0	1,248	4.17%
3204032	WATER TREATMENT EQUIPMENT	139,154	-25%	(34,789)	173,943	35.0	4,970	3.57%
	Subtotal	169,099		(42,275)	211,374		6,217	3.68%
Transmission & Dist. Plant:								
3305042	DISTRIB. RESERVOIRS & STANDPIPES	795,494	-15%	(119,324)	914,818	60.0	15,247	1.92%
3315043	TRANSMISSION & DISTRIB. MAINS	1,453,666	-70%	(1,017,566)	2,471,232	90.0	27,458	1.89%
3335045	SERVICE LINES	576,786	-100%	(576,786)	1,153,573	60.0	19,226	3.33%
3345046	METERS	209,287	13%	27,207	182,080	14.0	13,006	6.21%
3345047	METER INSTALLATIONS	34,997	-100%	(34,997)	69,995	45.0	1,555	4.44%
3355048	HYDRANTS	289,460	-70%	(202,622)	492,082	43.0	11,444	3.95%
3486098	OTHER ASSETS	-	50%	-	-	10.0	-	0.00%
	Subtotal	3,359,691		(1,924,089)	5,283,780		87,936	2.62%
General Plant:								
3391088	UNIFORMS	-	0	-	-	10.0	-	0.00%
3406090	OFFICE STRUCTURES & IMPROVEMENTS	84,885	0	-	84,885	30.0	2,830	3.33%
3406091	OFFICE FURNITURE & EQUIPMENT	26,440	0	-	26,440	19.0	1,392	0.00%
3446095	LABORATORY EQUIPMENT	12,233	5%	612	11,621	20.0	581	0.00%
3466094	TOOLS, SHOP & MISC. EQUIPMENT	76,121	5%	3,806	72,315	13.0	5,563	7.31%
3466097	COMMUNICATION EQUIPMENT	10,740	0	-	10,740	13.0	826	7.69%
	Subtotal	210,418		4,418	206,001		11,191	5.32%
Subtotal Utility Plant		4,590,608		(2,187,465)	6,778,072		129,638	2.82%
Intangible Plant:								
3021002	FRANCHISE	189			-			
3011001	ORGANIZATION	117,196			-			
	Subtotal	117,385			-			
Total Utility Plant		4,707,993		(2,187,465)	6,778,072		129,638	2.75%

		CIAC Balance	Percent	Annual Amortization	CIAC Amort. per Trial Bal.	Adjustment
<b>Amortization of CIAC:</b>						
271.1	CIAC - Water Undist	(1,010,451)	2.75%	(27,823)	(11,203)	16,621
407.6	AA CIAC					

# Whispering Hills Water Company

Exhibit No. \_\_\_\_\_

Page 2 of 2

w/p [r-1]

Whispering Hills  
Adjusted Depreciation Rates  
Test Year Ended December 31, 2008

		Company's Present Rates			Company's Proposed Rates			
Account #	Description	Plant	Percent	Annual Expense	Percent	Annual Expense	Present vs. Proposed	% of Total
Source of Supply Plant:								
3043011	STRUCTURES & IMPROVE.(Sourc Sup)	-	1.50%	-	0.00%	-	-	0.00%
3036010	LAND & LAND RIGHTS	15,820	0.00%	-	0.00%	-	-	0.00%
3072014	WELLS & SPRINGS	354,636	1.50%	5,320	2.17%	7,684	2,364	3.87%
	Subtotal	370,457		5,320	2.07%	7,684	2,364	3.87%
Pumping Equipment:								
3035040	LAND & LAND RIGHTS PUMP	4,432	0.00%	-	0.00%	-	-	0.00%
3043021	STRUCTURES & IMPROVE.(PUMP.PLT.)	164,950	1.50%	2,474	4.17%	6,873	4,399	7.20%
3113025	ELECTRIC PUMPING EQUIPMENT	311,560	1.50%	4,673	3.13%	9,736	5,063	8.29%
	Subtotal	480,943		7,148	3.45%	16,609	9,462	15.49%
Water Treatment Plant:								
3044031	STRUCTURES & IMPROVE.(WTR. T.P.)	29,945	1.50%	449	4.17%	1,248	799	1.31%
3204032	WATER TREATMENT EQUIPMENT	139,154	1.50%	2,087	3.57%	4,970	2,882	4.72%
	Subtotal	169,099		2,536	3.68%	6,217	3,681	6.03%
Transmission & Dist. Plant:								
3305042	DISTRIB. RESERVOIRS & STANDPIPES	795,494	1.50%	11,932	1.92%	15,247	3,315	5.43%
3315043	TRANSMISSION & DISTRIB. MAINS	1,453,666	1.50%	21,805	1.89%	27,458	5,653	9.25%
3335045	SERVICE LINES	576,786	1.50%	8,652	3.33%	19,226	10,574	17.31%
3345046	METERS	209,287	1.50%	3,139	6.21%	13,006	9,866	16.15%
3345047	METER INSTALLATIONS	34,997	1.50%	525	4.44%	1,555	1,030	1.69%
3355048	HYDRANTS	289,460	1.50%	4,342	3.95%	11,444	7,102	11.63%
3486098	OTHER ASSETS	-	1.50%	-	0.00%	-	-	0.00%
	Subtotal	3,359,691		50,395	2.62%	87,936	37,541	61.46%
General Plant:								
3391088	UNIFORMS	-	1.50%	-	0.00%	-	-	0.00%
3406090	OFFICE STRUCTURES & IMPROVEMENTS	84,885	1.50%	1,273	3.33%	2,830	1,556	2.55%
3406091	OFFICE FURNITURE & EQUIPMENT	26,440	1.50%	397	0.00%	1,392	995	1.63%
3446095	LABORATORY EQUIPMENT	12,233	1.50%	183	0.00%	581	398	0.65%
3466094	TOOLS, SHOP & MISC. EQUIPMENT	76,121	1.50%	1,142	7.31%	5,563	4,421	7.24%
3466097	COMMUNICATION EQUIPMENT	10,740	1.50%	161	7.69%	826	665	1.09%
	Subtotal	210,418		3,156	5.32%	11,191	8,035	13.15%
Subtotal Utility Plant		4,590,608		68,555	2.82%	129,638	61,082	100.00%
Intangible Plant:								
3021002	FRANCHISE	189		-				
3011001	ORGANIZATION	117,196		-				
	Subtotal	117,385		-				
Total Utility Plant		4,707,993		68,555	2.75%	129,638	61,082	
		CIAC		Annual		Annual	Present vs.	
		Balance	Percent	Amorization	Percent	Expense	Proposed	
Amortization of CIAC:								
271.1	CIAC - Water Undist	(1,010,451)	1.50%	(15,157)	2.75%	(27,823)	(12,667)	
407.6	AA CIAC							